

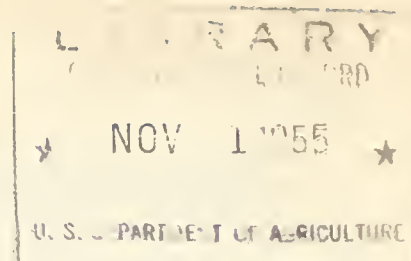
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Foreign

CROPS AND MARKETS



FOR RELEASE MONDAY AUGUST 1, 1955

VOLUME 71

NUMBER 5

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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D.C.

MARKET FOR U.S. HOPS MAY IMPROVE IN AUSTRALIA

Owing to recent changes in its foreign exchange regulations, Australia may provide a market for U. S. hops beginning this year; according to a dispatch from the American Embassy in Canberra. Due to dollar exchange difficulties, practically all of Australia's hops import requirements in recent years have been obtained from the sterling area. In 1953-54, 88.4 percent of the imports came from the United Kingdom and 10.7 percent from New Zealand. The small balance came from West Germany. During the first 5 years following World War II, Australia's imports from the United States ranged from 650,000 to 935,000 pounds annually.

A serious decline in Australia's total foreign exchange reserves has made necessary a policy of tightening import controls in order to conserve the total supply of all foreign exchange as much as possible. A result of this policy has been an increase in the volume of licenses for imports from the dollar area in the case of goods which can be purchased there at a substantial saving in price and in total foreign exchange. Since hops are a product which Australia can usually obtain at considerably lower prices from the United States than from any other important foreign source of supply, there may again be a fairly good market for U. S. hops in that country.

Australian brewery requirements for hops are expected to be close to 5,000,000 pounds in 1954-55 compared with 4,852,000 pounds in 1953-54 and 4,569,000 pounds in 1952-53. From 30 to 40 percent of the requirements must be imported. Since its total hops requirements have been steadily increasing in recent years and its domestic production has remained fairly stable, the imports have been increasing. In 1952-53 they totaled 1,401,338 pounds. In 1953-54, imports totaled 1,643,588 pounds. The 1954-55 total is expected to be about 2,000,000 pounds.

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad; foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

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SWEDEN LEVIES IMPORT FEES ON GRAINS AND GRAIN PRODUCTS

The price supports and export subsidies applicable to grains in Sweden are financed through a system of import fees on about 60 food and feed commodities; according to a despatch from the American Embassy in Stockholm. On June 5, 1955, import fees in effect on specified grains and grain products were as follows:

Sweden: Import Fees on Grain and Grain Products

Grain or Grain Product	Per Quintal (220.46 pounds)	
	Kroner	Dollars
Corn.....	3.5	0.676
Millet.....	8.0	1.544
Meal of coarse grains.....	2.0	0.386
Rye.....	10.0	1.93
Wheat.....	13.0	2.509
Rye flour.....	20.0	3.86
Wheat flour.....	25.0	4.825

These import fees tend to maintain domestic prices of the corresponding home-produced products by neutralizing competition from lower-priced imported products. The funds yielded by the fees are used to subsidize exports of commodities in the production of which the imported commodities are the raw materials. For example, the proceeds of the import fees on feed grains are used to subsidize exports of livestock products to the extent that the output of such products has resulted from the use of imported feeds.

Another source of funds for subsidizing exports is an excise fee on the domestic production of bread grains, oil seeds, and meat. The fee on bread grains is paid by the millers and at the present time is 5 kroner per kilogram. It yields a total of about 35 million kroner per year. The revenue from these fees is used to subsidize exports of the same products.

The import fees charged are additional to Sweden's regular import duties.

AUSTRALIA DEVELOPING EXPORT OUTLETS FOR GRAIN AND OTHER PRODUCTS

Under the terms of a trade agreement concluded with West Germany in May, Australia will export 100,000 long tons of wheat and 30,000 tons of coarse grains to Germany in 1955-56 in exchange for machinery and chemicals; according to a despatch from the American Embassy at Canberra. Australia is strengthening its international competitive position not only by means of trade agreements but also by continuing efforts to reduce the cost of producing farm products and to improve their quality. Important steps along this line are further development of the agricultural extension system and provision of funds to facilitate farm mechanization.

Sales of agricultural commodities abroad are being pushed by qualified trade representatives stationed in the best potential markets, particularly the United Kingdom, Europe, Southeast Asia, and the North American countries, and by increased advertising in the United Kingdom. Foreign sales are also being increased by trade missions; one having recently returned from New Zealand and another from Southeast Asia.

FINLAND'S FEED IMPORTS FROM U.S. RESTRICTED BY DOLLAR SHORTAGE

Owing to Finland's shortage of dollar exchange, United States exporters were able to provide only 9,000 metric tons of feed concentrates out of the total of 142,887 tons imported by Finland in the period November 1, 1954, to May 20, 1955. The balance of 133,887 tons, supplied by countries other than the United States, consisted of 38,667 tons of corn; 29,497 tons of bran; and 65,723 tons of oil feeds. The Soviet Union's share was about 17,400 tons of corn; 11,500 tons of bran; and 23,000 tons of oil feeds.

Under its trade agreement with the Soviet Union, Finland has scheduled a total of 20,000 tons of corn and 45,000 tons of feed concentrate cakes for importation from that country in 1955. Under another trade agreement, Finland will obtain the following feeds from Argentina: US\$800,000 worth of corn and other feed grains; US\$4,200,000 worth of oil feed concentrates (including \$1,200,000 worth that had been scheduled for 1954); and perhaps some bran and bran meal under a possible separate agreement.

In view of the provisions of these trade agreements, probably no more than an additional 32,000 tons of feed concentrates will be imported by Finland from western countries this season; and none of that quantity is expected to be supplied by the United States. Import licenses have been issued for 10,000 tons of corn and 13,000 tons of bran from Argentina; 5,000 tons of bran from Turkey; and 4,000 tons of soybean meal from West Germany, the Netherlands, and Denmark.

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FRENCH TOBACCO CROP BELOW 1954 RECORD OUTPUT

Present prospects indicate a tobacco crop in France of approximately 105.3 million pounds from about 70,800 acres in 1955, according to estimates just received from Harold L. Koeller, Acting Agricultural Attache, American Embassy, Paris. While area for harvest is equal to the level of the previous year, output is expected to fall about 17 percent short of the final estimate for the 1954 crop which reached a record of more than 126 million pounds. Unusually favorable weather conditions prevailing throughout the 1954 season resulted in yields well above average and a total production more than 20 percent higher than expected. Rather severe attacks of plant diseases, principally mosaic, have been reported in 2 of the important producing areas in 1955, and as a result output is expected to fall below last year.

NETHERLANDS TOBACCO IMPORTS UP 31.9 PERCENT

Netherlands gross imports of unmanufactured tobacco (direct imports plus withdrawals from bond) during the first quarter of 1955 totaled 24.3 million pounds--up 31.9 percent from 18.4 million pounds imported during the corresponding period of 1954.

Netherlands: Gross imports of unmanufactured tobacco, direct and from bonded warehouses, during the January-March periods, 1954-55

Country of Origin	January-March	January-March
	1954	1955
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	8,247	10,159
Indonesia.....	1,936	2,617
Brazil.....	1,510	2,460
Greece.....	77	1,177
Turkey.....	2,286	2,235
Italy.....	747	631
Southern Rhodesia.....	1,186	2,028
India.....	597	1,360
Cuba.....	209	260
Other.....	1,646	1,394
Total.....	18,441	24,321

Source: Maandstatistiek van de in-, uit -en doorvoer per goederensoort.

Imports of United States leaf increased 23.2 percent from the corresponding quarter of 1954. All types of United States leaf imported shared in the increase, except seedleaf (cigar leaf), which declined sharply as compared with the first quarter of 1954. The percentage increase for Kentucky was the greatest, increasing from .8 to 2.6 million pounds--up 217.7 percent from the corresponding period of 1954.

Gross imports of oriental tobaccos (Turkish and Greek) have increased from 1.6 to 3.6 million pounds, indicating larger usings of these tobaccos by Dutch manufacturers after deducting re-exports destined mainly to the United Kingdom. Imports of non-U. S. flue-cured from Southern Rhodesia and India increased 1.6 million pounds over the corresponding period of 1954, indicating larger usings of these tobaccos--as re-exports did not increase over the first 3 months of 1954.

SINGAPORE TOBACCO FIRM SEEKS U. S. TRADE CONTACTS

Glenn A. Ruggles, Agricultural officer, American Consulate General, Singapore, reports that the New China Commercial Co. Ltd., 94 Robinson Road, Singapore, Malaya, is eager to develop trade relations with a few United States Tobacco exporters. This company is primarily interested in importing flue-cured leaf to be used for manufacturing cigarettes.

WEST GERMAN TOBACCO IMPORTS UP 11 PERCENT

West German imports of duty-paid unmanufactured tobacco, direct and withdrawals from bond, during the first 3 months of 1955 totaled 32.9 million pounds--up 11.0 percent from the 29.6 million pounds imported during the corresponding period of 1954.

West Germany: Imports of duty-paid unmanufactured tobacco by country of origin, during the January-March periods, 1954-55.

Country of Origin	January-March 1954	January-March 1955
	1,000	1,000
	<u>pounds</u>	<u>pounds</u>
United States.....	12,102	12,109
Greece.....	5,866	7,648
Turkey.....	3,180	3,881
Indonesia.....	1,927	2,274
Brazil.....	2,669	2,671
Colombia.....	1,416	1,505
Dominican Republic.....	967	968
Italy.....	337	380
Japan.....	45	18
China.....	25	32
India.....	143	61
Southern Rhodesia.....	291	362
U. S. S. R.....	63	94
Other.....	606	902
Total.....	29,637	32,905

Source: Der Aussenhandel Der Bundesrepublik Deutschland - Teil 2.

Imports of oriental tobaccos, mainly from Greece and Turkey, increased about 2.5 million pounds from the corresponding quarter of 1954, reflecting increased output of oriental-type cigarettes. Imports of United States leaf were relatively stable but accounted for only 36.8 percent of the total, as compared with 40.8 percent during the first quarter of 1954. Total imports from Italy, Japan, India, China, and Southern Rhodesia remained about the same as in the first quarter of 1954.

RETAIL PRICES OF AMERICAN-TYPE CIGARETTES MADE IN FINLAND WILL INCREASE

The retail price of American-type cigarettes manufactured in Finland will be increased by 25 percent effective August 1, 1955, according to Jack K. McFall, Envoy Extraordinary and Minister Plenipotentiary, Helsinki.

The excise taxes on American-type brands will be increased in such a way, according to a Finnish Cabinet announcement of July 7, that they will yield 69.66 Finnmarks per package as compared with the previous 51.63 Finnmarks. The retail price of American-type brands will increase from 80 to 100 Finnmarks (34.6 to 43.3 U. S. cents) per package; while the price of other domestic brands will remain unchanged.

According to the report, little effect on sales of American-type cigarettes is expected, since consumption has increased from 10 to 30 percent of total sales during the past five years. The increase in excise taxes on the American-type cigarette was the need for additional revenue by the Finnish Government. The apparent discrimination against American-type cigarettes, according to the report, may be explained by the fact that other types manufactured in Finland are included as a component in the cost of living index whereas the American-type brands are not.

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CUBAN POTATO STOCKS HIGH

Potato stocks in Cuba were estimated at about 400,000 hundredweight as of July 1, 1955. Based on this estimate, the Cubans will have about one month's supply of potatoes August 1, the beginning of the low-duty period.

MEXICAN WINTER VEGETABLE SEASON COMPLETED

Exports of Mexican winter vegetables were the lowest in many years. Unfavorable weather coupled with low prices brought heavy losses to growers. Exports of tomatoes amounted to 2,274,000 bushels, green peppers 207,000 bushels, and green peas 208,000 bushels.

NEW ZEALAND TO EXPORT CANNED PEARS TO U.K.

A New Zealand canner reports a market for about 500,000 cases of canned pears in the United Kingdom and that New Zealand will export canned pears to the U.K. for the first time. The production of pears in New Zealand has been increasing, but it is expected that most of the increased production will be consumed at home.

WORLD PEPPER SITUATION

World black and white pepper production for the marketing season 1955 is forecast at 156.7 million pounds, according to the Foreign Agricultural Service. This production forecast is 12 percent higher than the 139.8 million pounds of 1954, almost 78 percent higher than the postwar (1946-50) average of 88.2 million pounds, and within 15 percent of the prewar (1935-39) average of 184.2 million pounds.

Of the total production for 1955, it is believed that 116 million pounds will be available for export to the net importing nations of the world. Compared with exportable production for past seasons, this forecast is roughly similar to the percentage comparisons shown above for total production.

With limited supplies of pepper, average wholesale pepper prices (10 cents per pound in 1945) advanced to 106.5 cents in 1949 and 169.3 cents in 1950. The peak was reached in August 1950 when the wholesale price moved to 265.6 cents per pound. Since August 1950 the price trend for black pepper has been downward, and in May 1955 averaged 49.5 cents per pound, New York.

Prewar (1935-39) requirements of the net importing nations of the world is estimated to have averaged no more than 100 million pounds annually. Net imports for the prewar period averaged 132.1 million pounds as world consumers stockpiled pepper prior to World War II. With 100 million pounds of black and white pepper as the base for prewar consumption, potential world requirements would not exceed 120 million pounds for the current period, based on population increases alone. Indications are that there were large carry-overs of pepper from the 1954 season. These carry-overs in combination with an exportable production of 116 million pounds promise more than adequate supplies for the current year and the beginnings of reserves in both importing and exporting countries.

The study made by the Foreign Agricultural Service shows that prewar consumption in the United States averaged less than 35 million pounds annually, although imports for 1935-39 averaged 56.5 million pounds. On the basis of population increase alone (24 percent since 1935-39), the United States should be consuming almost 43 million pounds of pepper. On the other hand, a low per-capita consumption level has been the pattern for more than 15 years and it is doubtful that the consumer will react so rapidly to the lower prices now prevailing as to re-establish prewar per-capita consumption levels. The United States consumer has learned to use other spices for their own qualities as well as for pepper substitutes. Further, the decline of home-prepared foods makes industry responsible for the primary increases in pepper usage in the near future. United States imports in 1954 totalled 37 million pounds. Somewhere between that figure and 43 million pounds may rest the maximum requirements of the United States at the current population level. (See table, opposite page. Text continues, p. 115.)

TABLE I. --Pepper: Estimated world production, forecast 1955 with comparisons
(Million pounds)

Producing Area	Average		Estimated			Preliminary		Forecast
	1935-39	1946-50	1950	1951	1952	1953	1954	1955
ASIA								
Indonesia 1/	128.6	7.9	15.9	7.7	17.2	16.2	33.6	38.5
Sarawak 1/	5.3	0.2	0.6	2.7	9.0	20.2	33.6	40.0
India	33.1	68.0	69.9	70.5	51.4	48.4	53.3	58.5
Ceylon	2/ 5.0		9.5	9.4	10.6	12.1	12.0	12.0
Indo-china	11.1	2/ 10.0	3.3	3.3	3.3	3.3	4.4	4.9
Thailand 1/	0.4	) 2/	0.5	0.9	0.5	0.5	0.5	0.5
Malaya 1/	-	)	0.3	0.4	0.3	0.3	0.4	0.3
Total Asia	183.5	86.1	100.0	94.9	92.3	101.0	137.8	154.7
AFRICA								
Madagascar	0.6	0.6	0.8	0.9	0.9	0.8	1.3	1.3
Nigeria 1/	-	1.5	1.7	1.4	0.4	0.7	0.7	0.7
Belgian Congo 1/	0.1	-	0.1	0.2	-	-	-	-
Total Africa	0.7	2.1	2.6	2.5	1.3	1.5	2.0	2.0
WORLD TOTAL	184.2	88.2	102.6	97.4	93.6	102.5	139.8	156.7

1/ Exportable production only.

2/ Office estimate.

Foreign Agricultural Service.

WORLD PEPPER SITUATION (Cont'd from p. 114): In the meantime, world output increases as Indonesian plantings continue to rise toward prewar levels and Sarawak production exceeds 7 times the prewar level. One factor alone threatens to slow the upward trend -- disease. This factor has wiped out production in some areas and threatens destruction of pepper vines in other producing areas unless brought under control within the near future.

A more extensive statement on the World Black and White Pepper Situation is being prepared for publication in five parts by the U. S. Department of Agriculture, Foreign Agricultural Service, Washington 25, D. C. Part I, India and Ceylon, will be published as a Foreign Agricultural Circular on or about August 5, 1955.

PHILIPPINES IMPLEMENT CACAO DEVELOPMENT PROGRAM

Recently the Philippine Government appropriated 180,000 pesos (approximately US\$90,000) to enable the Bureau of Plant Industry further to advance the implementation of the coffee and cacao development program of the National Agricultural Council of that Republic.

This appropriation represents the Philippine Government's share of funds for the 1956 fiscal year under a joint United States - Philippine effort to improve coffee and cacao production in the Philippines. This joint undertaking commenced in March 1955 and during the remaining portion of the 1955 fiscal year; the United States, through the International Cooperation Administration (formerly Foreign Operations Administration), contributed \$45,000 and the Philippine Government \$33,270. Beginning with the 1956 fiscal year and future years, the United States contribution will be \$20,000 and the Philippines, \$90,000.

This coffee and cacao development project has two major objectives:

1. To enable the Philippines to become self-sufficient in these two important food commodities; and,
2. To establish the basis for their future development as export crops.

The joint undertaking will provide the personnel and equipment necessary to permit (a) intensified research to develop the most satisfactory varieties of coffee and cacao, the best cultural practices, the most effective methods of insect and disease control, and practical harvesting and curing methods; (b) a stepped-up extension program which will bring the latest information and practical methods developed through research to interested coffee and cacao growers; and (c) an increased supply of nursery stock or seed of adapted and improved varieties for distribution to growers as they become available.

Cacao is adaptable to most areas in the Philippines and the development of this crop can be fitted into the Agricultural Extension program in nearly all provinces.

The Philippines produced about 3 million pounds of cacao beans in 1953, which had to be supplemented with imports of an additional 5 million pounds to meet domestic consumption needs. The Philippines have not exported any cacao beans since 1947.

As presently planned, the goal of the project with respect to cacao is to increase the area devoted to growing cacao to about 75,000 acres in the next 5 years -- which represents an increase of about 53,000 acres over present plantings.

If successful, this project will make the Philippines more nearly self-sufficient in cacao (and coffee) and may even provide considerable quantities of both for export. In the case of cacao, this will help to ease the short world supply, which from all indications will continue for sometime to come.

PAKISTAN JUTE ESTIMATES REVISED UPWARD BY TRADE

The official estimate for the 1955 jute crop in Pakistan remains at 5.5 million bales (2,200 million pounds); but trade estimates are at 7.0 to 7.5 million bales (2,800 to 3,000 million pounds); as reported by U. S. Foreign Service officers in Dacca. The Pakistan Ministry for Food and Agriculture announced in June that there would be no further official destruction of excess plantings for this season's jute crop in East Bengal; but at the same time it was announced there was no fear of over-production and the official forecast of 2,200 million pounds was restated.

The official crop estimate remained unrevised on the theory that production from any excess acreage would probably be offset by partial failure of crops in some areas due to drought, destruction, and other causes; and also the fact that some licensed areas may not have been cultivated at all. The Ministry stated that licenses issued up to June 18 covered nearly 1,100,000 acres out of a total of 1,600,000 acres; and issuance of licenses would be continue to cover the remaining 500,000 acres.

Trade sources base their estimate of 2,800 to 3,000 million pounds on the fact of halted destruction of excess plantings; combined with an expected higher yield per acre from improved soil fertility, and satisfactory weather conditions to date.

Trade estimates for the 1954 crop are still 400 to 480 million pounds above the official estimate of 2,000 million pounds released earlier. The final official estimate of production in the past year is not yet available. (Cont'd.; next page.)

Export sales, as announced by the Pakistan Jute Association were 1,895 million pounds from July 1, 1954, to June 15, 1955. Of this quantity 514 million pounds were shipped to India, 301 million to the United Kingdom, 197 million to Germany, 171 million to Belgium, 153 million to France, 121 million to the United States, and 97 million to Italy. Nearly 46 percent went to the Sterling area, 41 percent to the Continental area, 7 percent to the Dollar area, and the remaining 6 percent to other areas.

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CANADA REPORTS

FAVORABLE GRAIN CONDITIONS

Conditions have remained favorable for crop development over most of Canada's grain belt, according to a recent telegraphic crop report from the Dominion Bureau of Statistics. The report, dated July 20, says that recent warm, bright weather has favored rapid grain development throughout the Prairie Provinces, and prospects have continued to improve. Moisture supplies were generally adequate for present requirements, but further rains will be needed to ensure proper filling, especially for late-seeded crops.

Crop development has been rapid and has been generally in advance of last year. A large proportion of the wheat crop was headed, and in Manitoba some fields had started to ripen at the time of the report. Some loss had occurred from scattered hail storms and aphid infestation, but over-all crop damage had been relatively light up to that date. Haying was progressing, with good yields reported in most districts.

URUGUAY REPORTS

NEAR-RECORD WHEAT PRODUCTION

The 1954 wheat crop in Uruguay is now estimated at 29 million bushels, according to a recent revision by the Ministry of Livestock and Agriculture. This second estimate of wheat production is 10 percent above the previous estimate for the 1954 outturn, and, at the present level, has been exceeded only once. That was in 1953 when the final estimate placed the harvest at 30 million bushels.

The exportable surplus from the production is now officially estimated at about 16 million bushels, on the basis of the larger crop estimate. This contrasts with conservative earlier-season estimates of only about 7 million bushels for export. About 80 percent of the exportable surplus has been committed, mainly to Brazil. Commitments of wheat and flour, in wheat equivalent, to that country total 11.2 million bushels.

BUTTER PRICE DROPS IN NEW ZEALAND;
POWDERED MILK OUTLOOK BRIGHTER

The recent fall in butter prices in London has resulted in a decreased price of 40.625 cents per pound for New Zealand butter, ex store. According to a report from Eugene Ransom, Agricultural Attache, American Embassy, Wellington, the New Zealand Dairy Products Marketing Commission stands to lose about \$3.5 million on the 112 million pounds of New Zealand butter still to be marketed from the season's production. However, Mr. Will Marshall, Chairman of the Commission, pointed out of that 224 million pounds of the season's butter production had been sold at a price slightly over cost. The guaranteed price to producers is, in the case of butter, 43.65 cents per pound.

The drop in price was not unexpected since this is the time of year of greatest production in the European countries, and receipts by the United Kingdom from other sources have been high. United Kingdom stocks amount to approximately 90 million pounds at present.

The Minister of Agriculture, speaking to members of the Federated Farmers, put forth the thought that milk powder might eventually be the salvation of the dairy industry of New Zealand. While traditional markets for powder would not increase much, there are untapped markets in India and Southeast Asia. This statement follows closely upon Australia's intention to seek milk powder outlets in the same direction. (Foreign Crops and Markets, July 18, 1955.)

The Minister announced that New Zealand is currently negotiating with India and other places for disposal of considerable stocks of powder. The Indian Government, he stated, is very realistic and anxious to push forward so that they can use a complete food. India is looking for a source which will give a continuous supply at a reasonable world price rather than a sporadic supply at prices slightly below world value; in which case, the Minister noted, New Zealand hoped to be considered as this source of supply.

CONCENTRATED MILK FROM AUSTRALIA
BEING RECONSTITUTED IN NEARBY ISLANDS

Australian concentrated milk, which is prepared primarily for use in the manufacture of ice cream, is being used in the reconstituting of whole milk. According to the report from Mr. James Boulware, Agricultural Attache, American Embassy, Canberra, small quantities are being shipped to nearby islands for use in making fluid milk. In 1952-53 total exports were just over 100,000 pounds, while in 1953-54 they amounted to 171,000 pounds.

See World Butter and Cheese Prices, page 121.

NEW ZEALAND CONCENTRATES
ON SHEEP AND WOOL RESEARCH

New Zealand's wool industry, faced with intensified competition from synthetic fibers, is spending a considerable sum on sheep and wool research to improve production methods and durability of the finished cloth, according to Eugene T. Ransom, Agricultural Attache, American Embassy, Wellington. Officials realize New Zealand's economy depends largely on the continued sale of wool and meat, and her markets must remain secure. To ensure this, the quality of its products must be maintained and improved where possible.

Last year New Zealand spent an amount equivalent to about \$461,146 on research, and in addition the New Zealand Wool Board contributed \$56,705 to the International Wool Secretariat, which amounted to 23 percent of the Secretariat's expenditure on wool research.

A wide range of problems associated with sheep breeding and management, diseases, nutrition, and characteristics of fleeces is under investigation. About \$392,000 of the \$461,146 spent last year came from the Animal Research Division of the Department of Agriculture. The Department of Scientific and Industrial Research granted \$10,654 to Massey Agricultural College, and \$7,000 to the Woolen Mills Research Association at Dunedin. The New Zealand Woolen Mills Association granted its research association \$7,944, and the Wool Board made grants totalling \$14,000 each to Massey and Lincoln Colleges, \$2,800 to the Research Association, and \$5,600 to the Gisborne Veterinary Club. In addition, the Wool Board contributed \$20,816 as its share of the Meat and Wool Boards' economic service.

Massey and Lincoln Colleges are conducting experiments on the breeding and nutrition of sheep, and the Animal Research Division is conducting an extensive series of research studies relating to trace element -- cobalt, iodine, copper, and molybdenum -- as they affect health of sheep. Sheep diseases are also being studied, and at Massey College vaccines for control of leptospirosis and worm parasites are being investigated. Lincoln College is dealing with pregnancy toxemia in ewes and lameness in lambs after dipping.

The Animal Research Division is engaged in research into facial eczema, brucellosis, white muscle disease, sleeping sickness, footrot, phenothiazine drenching for worm troubles, and coccidiosis in lambs. The Gisborne Veterinary Club has begun a survey of the incidence of disease and lamb mortality. Wool growth and other problems of sheep are also under investigation.

Lincoln College research workers are studying the causes of fleece rot, the influence of length of daylight on wool growth, and effects of thyronine and temperature on wool growth.

In collaboration with the Invermay Research Station the Woolen Mills Research Association is noting the influence of tender and stained wool on manufacturing processes and milling qualities of wool shorn before lambing. The Wool Board is taking preliminary steps for a vigorous attack on footrot disease, one of the most serious diseases affecting New Zealand flocks.

While research in New Zealand deals mainly with production problems, overseas research supported by that country is directed more towards solving technical difficulties and making improvements in the processing of wool and its ultimate use in manufacture.

IMPORTS OF U.S. SHEEP CONSIDERED BY MEXICO

Sheep producers in Mexico are considering plans to import 300,000 head of Corriedale and Rambouillet ewes from the United States to encourage development of the sheep industry, reports Ana H. Gomez, Assistant Agricultural Attache, American Embassy, Mexico City. Mexican sheepmen have asked the Ministry of Agriculture for aid in financing such imports. They are also seeking funds to import woven wire, pumps, windmills, and other supplies for the development of the local industry.

URUGUAYAN WOOL MARKET DEPRESSED

Dullness characterized wool marketing in Uruguay during May and June with prices declining to the lowest point this season, according to Dale E. Farringer, Agricultural Attache, American Embassy, Montevideo. The nearly paralyzed market was due to price uncertainties, slow offshore demand, and growers' reluctance to sell.

Price uncertainties arose even though the government administration declared flatly that it would not endorse the solutions recommended by the Special Congressional Wool Committee, which provided, in effect, for higher prices to wool growers. In late May a group of supporters brought 3 measures to vote in the lower house of Parliament -- and each proposal was defeated. In June, wool prices began to decline, dropping approximately 5 percent by the end of that month.

Best trade estimates place unsold wool stocks in all positions between 100 and 110 million pounds at the end of June, out of a clip and carry-in totalling roughly 220 million pounds. Most of the stocks belong to producers; stocks held by exporters and mills are reported small. The bulk of the wool held consists of fine crossbreds and some Merinos for which there has been little offshore demand this year.

With only 3 months (July-September) left of the current wool year, the outlook is for a sizable carry-over into the new season. Even if offshore sales suddenly materialize and growers were willing to sell, it would be impossible to prepare, ship, and process into tops an equivalent of 110 million pounds of greasy wool by the end of September. The rhythm of export business is slow and local traders are pessimistic. The situation appears similar to that of 1951-52 season when carry-out stocks on September 30, 1952, totalled about 85 million pounds.

WORLD BUTTER AND CHEESE PRICES

DAIRY PRODUCTS: Wholesale prices at specified markets, with comparisons
(U. S. cents per pound)

Country, market and description	Butter				Cheese			
	Quotations				Quotations			
	Date	Price	Month	Year	Date	Price	Month	Year
	1955		earlier	earlier	1955		earlier	earlier
<u>United Kingdom</u> (London)								
New Zealand Finest Grade	June 30	42.6	42.6	51.6	-	-	-	-
New Zealand Finest White	-	-	-	-	June 30	22.0	19.4	-
<u>Australia</u> (Sydney)								
Choicest butter	July 1	41.4	41.4	41.4	-	-	-	-
Choicest cheddar	-	-	-	-	July 1	20.3	20.3	20.3
<u>Irish Republic</u> (Dublin)								
Creamery butter	June 30	48.7	48.7	55.1	-	-	-	-
Cheese	-	-	-	-	June 30	30.7	30.7	30.7
<u>Denmark</u> (Copenhagen)	June 30	41.8	43.7	42.1	-	-	-	-
<u>France</u> (Paris)								
Charentes Creamery Butter	June 28	64.8	64.8	67.4	-	-	-	-
<u>Germany</u> (Kempten)								
Markenbutter	June 29	63.3	64.4	59.5	-	-	-	-
<u>United States</u>								
92-score creamery (N.Y.)	July 1	57.8	57.8	57.4	-	-	-	-
Cheddar (Wisconsin)	-	-	-	-	July 1	31.2	31.2	30.2
<u>Netherlands</u> (Leeuwarden)								
Creamery butter	June 25	48.6	48.6	46.0	-	-	-	-
Full Cream Gouda	-	-	-	-	June 24	23.3	22.2	21.7
Edam 40 Percent	-	-	-	-	June 24	21.8	20.5	19.3
<u>Belgium</u> (Hasselt)	June 30	69.0	68.4	72.7	-	-	-	-
<u>Canada</u> (Montreal)								
1st grade creamery	June 25	57.4	57.5	59.6	-	-	-	-
Ontario white	-	-	-	-	June 25	29.4	29.4	30.8

Source: Intelligence Bulletin, The Commonwealth Economic Committee, U. S. Consular Reports, and Dairy Division, Agricultural Marketing Service, USDA

SPAIN'S 1955 COTTON ACREAGE INCREASES SHARPLY

A sharp increase in Spain's 1955 cotton acreage is reported at 435,000 acres or about 60 percent more than the 1954 acreage of 267,000 acres; according to John E. Burgess, Jr., Agricultural Attache, American Embassy, Madrid, and H. R. Zerbel, American Consul, American Consulate General, Barcelona. A breakdown of the 1954 and 1955 acreage, by type of cultivation and variety planted is as follows:

	<u>Variety</u>	<u>1954 acreage</u>	<u>1955 acreage</u>	<u>Percent of change</u>
Dry land	Upland	136,942	237,216	+ 73
Irrigated	Upland	79,477	150,731	+ 90
Irrigated	Egyptian	50,615	46,949	- 7
Total		267,034	434,896	+ 63

Cotton production from the 1954 acreage is placed at about 98,000 bales (500 pounds gross). Tentative estimates of the 1955 crop are for an increase of about 50 percent over 1954, possibly reaching 150,000 bales. These figures do not include cotton produced in the Canary Islands and Spanish Morocco.

Spain's cotton mill consumption during the first 10 months (August-May) of the 1954-55 marketing year, amounted to 301,000 bales, or about 5 percent less than estimated consumption of 316,000 bales in the corresponding period of 1953-54. Total consumption for the August-July 1953-54 year was estimated at 375,000 bales.

Spain's cotton imports during the August-May 1954-55 period amounted to 211,000 bales, or 16 percent below imports of 250,000 bales in the similar period of 1953-54. The decline in imports may be partially attributed to the increase in domestic production. Principal sources of Spain's cotton imports in the current period were the United States, Brazil, and Egypt. Quantities imported in August-May 1954-55, with corresponding 1953-54 figures in parentheses were: United States 113,000 bales (133,000); Brazil 56,000 (39,000); and Egypt 40,000 (46,000).

The cotton supply situation in Spain during March through May 1955 was generally satisfactory, with stocks approximating a 2-1/2-month supply during most of that period. Stocks on June 18, 1955, were reported at 76,000 bales, down only 5 percent from estimated stocks of 80,000 bales on August 1, 1954. Additional storage space has been provided by the National Cotton Center, which has built additional warehouse facilities in Barcelona.

SLIGHT INCREASE ESTIMATED IN PAKISTANS
1954-55 COTTON CROP

An official supplementary estimate of Pakistan's 1954-55 cotton crop at 1,303,000 bales (500 pounds gross) represents a slight increase over earlier estimates, and is 11 percent higher than the 1953-54 crop of 1,178,000 bales, according to H. Farooqi, American Embassy, Karachi. The supplementary estimate also placed acreage for the 1954-55 crop at 3,185,000 acres; or an increase of about 9 percent over the 1953-54 acreage of 2,928,000. The breakdown of these figures is as follows:

	Acreage		Production	
	<u>1953-54</u>	<u>1954-55</u>	<u>1953-54</u>	<u>1954-55</u>
	(1,000 acres)		(1,000 bales of 500 pounds gross)	
Punjab and Sind/American	2,494	2,616	1,033	1,114
Punjab and Sind/Desi	434	569	145	189
Total	<u>2,928</u>	<u>3,185</u>	<u>1,178</u>	<u>1,303</u>

Cotton exports from Pakistan during the first 10 months (August-May) of the 1954-55 marketing year amounted to 455,000 bales or 44 percent below exports of 807,000 bales in the corresponding period a year ago.

See table, opposite page.

Pakistan's cotton stocks on June 30, 1955, were estimated at 325,000 bales; approximately 114,000 of which were unsold at Karachi warehouses. Stocks on August 1, 1954, were estimated at 260,000 bales.

Cotton consumption in Pakistan during the August-July 1953-54 marketing year was estimated at 440,000 bales, which included mill consumption of 410,000 and about 30,000 used in home industries. Increased mill activity in recent months is indicated by the following figures:

Spindles and looms working in Pakistan
January - May 1955

<u>1955</u>	<u>Spindles</u>	<u>Looms</u>
January	1,167,394	16,723
February	1,239,862	17,002
March	1,268,342	17,191
April	1,314,446	17,060
May	1,356,058	18,163

PAKISTAN: Exports of cotton by countries of destination;
crop years 1950-53; August-May 1953-54 and 1954-55

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-May	
	1950	1951	1952	1953	1953-54	1954-55
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Belgium.....	6.5	0.2	26.5	15.2	15.2	8.7
Czechoslovakia.....	7.1	10.5	0	0	0	1/
France.....	75.5	59.8	80.3	71.7	61.9	31.4
Germany.....	38.1	26.3	89.0	32.1	29.9	20.3
Italy.....	89.8	58.6	52.1	61.6	57.7	23.4
Netherlands.....	8.0	.8	8.8	3.1	3.1	.9
Poland.....	33.8	52.2	0	0	0	1/
Spain.....	44.0	18.8	47.6	9.0	9.0	1/
Sweden.....	15.0	.3	15.4	9.7	9.7	4.6
United Kingdom.....	102.2	67.1	102.7	87.8	77.6	51.5
Yugoslavia.....	.8	0	0	0	0	1/
Australia.....	50.6	7.9	26.1	34.7	26.9	11.9
French India.....	21.4	6.5	9.9	19.4	16.8	1.9
Hong Kong.....	119.4	66.1	100.7	96.8	88.0	58.3
India.....	.3	.3	0	0	0	1/
Japan.....	280.9	234.1	517.4	261.9	229.9	185.1
Soviet Union.....	0	0	63.1	0	0	0
United States.....	3.0	.3	9.0	11.8	9.4	8.2
China.....	108.7	300.9	96.9	153.2	153.2	34.9
Other countries.....	33.9	8.0	27.4	25.2	18.7	13.7
Total.....	1,039.0	918.7	1,272.9	893.2	807.0	454.8

1/ If any, included in "Other countries".

Source: Government of Pakistan--Ministry of Commerce and Education; reports from Agricultural Attaches, and other U. S. representatives abroad.

COTTON EXPORTS TO COLOMBIA AUTHORIZED UNDER PUBLIC LAW 480

A purchase authorization issued to Colombia for \$1,635,000 will implement the export of approximately 8,200 bales of cotton (500 pounds gross) to that country under provisions of Title I (sales for foreign currency) of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83rd Congress).

Previously announced authorizations of funds under this program have amounted to \$125,325,000, representing exports of about 633,450 bales of cotton.

AUSTRALIAN COTTON CROP REDUCED
BY UNFAVORABLE WEATHER

Reduction of Australia's 1954-55 cotton crop to approximately 4,000 bales (500 pounds gross) has resulted from unfavorable weather conditions during harvest, according to James H. Boulware, Agricultural Attache, American Embassy, Canberra. Acreage for the 1954-55 crop was estimated at 18,000. Cotton production in 1953-54 amounted to approximately 3,000 bales from an acreage of 8,000.

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U. S. IMPORTS OF TUNG OIL FROM
ARGENTINA AT 83 PERCENT OF "QUOTA"

United States imports of tung oil from Argentina during November 1954-May 1955 totaled nearly 18.1 million pounds, or almost 83 percent of the voluntary agreed maximum of 21.8 million pounds that may enter the United States from Argentina during the United States marketing year ending October 31, 1955. (See Foreign Crops and Markets, January 24, 1955.) Argentina reportedly exported almost 1.3 million pounds of oil to this country in May, none in June, and as of the middle of the month none had been cleared in July. Thus, United States imports from Argentina by mid-August may be increased by 1.3 million pounds, making a total of 19.4 million. This would be 89 percent of the quota.

Over 4.4 million pounds of Argentine tung oil was reported sold for Canadian dollars recently, but this had not been shipped as of mid-July and buyers had been told by the Argentine Trade Promotion Institute (IAPI) that it would not be cleared without a certificate of destination. It is understood that the Argentine Government is about to ask that the quota be lifted in view of the strength of the United States market.

Imports of tung oil from Paraguay during November-May totaled 1.5 million pounds, or 54 percent of the agreed maximum quota of 2.8 million pounds that may enter the U. S. from Paraguay during the current marketing year.

The total quantity of tung oil imported into the United States during the first 8 months of this marketing year was 19.8 million pounds. In addition to the volume supplied by Argentina and Paraguay, over 0.2 million pounds came from Nyasaland.

ITALIAN VEGETABLE OIL
STOCKS REDUCED

The Italian High Commissioner of Food in Rome announced recently that an auction covering the last 7,700 short tons of refined vegetable oils from the Italian Government's stockpile would be held on July 26, according to Herbert K. Ferguson, Assistant Agricultural Attache, American Embassy, Rome.

Expectations were that after this sale there would be left in the stockpile approximately 40,000 short tons of unrefined vegetable oils which would be offered for sale on a monthly basis. The 7,700 short tons of refined vegetable oils consisted of approximately equal quantities of soybean and peanut oils.

INDIA LIBERALIZES TRADE IN CERTAIN OILSEEDS AND OILSEED CAKES

India's Ministry of Commerce and Industry announced on June 16 certain adjustments on exports of a number of agricultural commodities, including various oilseeds and oilseed cakes, which result in a liberalization of trade in those commodities; reports Tilmer O. Engebretson, Agricultural Attache, American Embassy, New Delhi. The adjustments are summarized below:

Exports of kardiseed cakes and nigerseed cakes will be licensed freely without any quantitative restrictions up to the end of December 1955. Licenses for the export of kardiseed and nigerseed during the next 6 months (July-December) will be issued freely within a combined quota of 20,000 long tons; any one shipper being allowed to export up to a maximum of 250 tons from any port.

Exports of peanut oilcake (expeller variety) will continue to be licensed freely up to the end of September 1955 within an over-all ceiling of 60,000 tons. Thus, the previous ceiling of 50,000 tons for peanut oilcake has been raised.

Fresh export quotas of 10,000 tons of undecorticated cottonseed cake and 5,000 tons of copra cake have also been announced. Decorticated cottonseed cake will hereafter be licensed freely for export by all manufacturers or non-manufacturers, without limitations.

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VENEZUELA TO IMPORT POTATOES

Venezuela has granted import licenses for 920,000 bushels of potatoes to be imported from all sources between July 20 and December 31, 1955.

FRANCE MAY IMPORT 400,000 BOXES OF CITRUS FROM U. S.

Indications are that about 400,000 boxes of United States citrus, principally California oranges, will be imported by France during the June-October period. This represents half of a special quota of more than 800,000 boxes for the summer season--including imports from South Africa and Brazil.

PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request
from the Foreign Agricultural Service; U. S.
Department of Agriculture; Washington 25; D. C.

United States Foreign Trade in Hides and Skins in 1954. Foreign Ag.
Circ. FLM-10-55

United States Exports of Lard and Tallow, 1954. Foreign Ag. Circ.
FLM-11-55

Philippines Appropriate Funds for Cacao Development Program. Foreign Ag.
Circ. FCB-6-55

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